



December 5, 2008

Local Assistance Monitoring Branch
Governor's Office of Emergency Services
3650 Schriever Avenue
Mather, California 95655

Re: OES Grant No. DV08 22 1259
Annual Financial Audit

Dear OES Representative:

In accordance with grant reporting requirements, enclosed please find three(3) copies of Support Network's audited financial statements for fiscal year ending June 30, 2008.

If you have questions or comments, please contact me any time at (408) 541-6100, extension 101.

Sincerely,

Janis Welsh
Executive Office Manager

cc: Stephanie Pedone (w/o enclosures)

Encl. (3)



SUPPORT NETWORK FOR BATTERED WOMEN

INDEPENDENT AUDITORS' REPORT

AND FINANCIAL STATEMENTS

For the Years ended June 30, 2008 and 2007

STOREK, CARLSON & STRUTZ

Certified Public Accountants

DATE RECEIVED:



AUDIT REVIEW #(s) 04341

Assigned To: In

Date Reviewed: 12/29/08

Reviewer's Initials: CJL

Date Review(s) Completed: 12/29/08

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INDEPENDENT AUDITORS' REPORT

October 10, 2008

To the Board of Directors

SUPPORT NETWORK FOR BATTERED WOMEN

We have audited the accompanying statements of financial position of Support Network for Battered Women as of June 30, 2008 and June 30, 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the management of Support Network for Battered Women. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Support Network for Battered Women as of June 30, 2008 and June 30, 2007, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2008 on our consideration of the Support Network for Battered Women's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Support Network for Battered Women taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SUPPORT NETWORK FOR BATTERED WOMEN

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 395,518	\$ 286,493
Investments	406,235	313,079
Receivables	303,577	201,524
Prepaid expenses	<u>8,254</u>	<u>20,266</u>
Total current assets	1,113,584	821,362
PROPERTY AND EQUIPMENT, net	195,674	187,647
DEPOSITS	<u>5,397</u>	<u>5,397</u>
TOTAL ASSETS	<u>\$ 1,314,655</u>	<u>\$ 1,014,406</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 7,885	\$ 21,980
Accrued payroll expenses	23,666	27,020
Accrued compensated absences	56,363	44,112
Other accrued expenses	18,412	4,735
Deferred revenue	<u>-</u>	<u>5,250</u>
Total current liabilities	<u>106,326</u>	<u>103,097</u>
NET ASSETS:		
Unrestricted:		
Undesignated operating fund	1,046,329	709,309
Board-designated fund	<u>162,000</u>	<u>162,000</u>
Total unrestricted net assets	<u>1,208,329</u>	<u>871,309</u>
Temporarily restricted:		
Restricted for teen education program	-	32,500
Restricted for La Familia program	<u>-</u>	<u>7,500</u>
Total temporarily restricted net assets	<u>-</u>	<u>40,000</u>
Total net assets	<u>1,208,329</u>	<u>911,309</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,314,655</u>	<u>\$ 1,014,406</u>

The accompanying notes are an integral part of these financial statements.

SUPPORT NETWORK FOR BATTERED WOMEN

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Changes in net assets:			
Revenues and gains:			
Contributions	\$ 1,094,515	\$ -	\$ 1,094,515
Federal grants	302,826	-	302,826
State and local government grants	489,197	-	489,197
Program income	26,812	-	26,812
Interest income	16,338	-	16,338
Special events	199,147	-	199,147
Other income	38,065	-	38,065
Assets released from restriction:			
La Familia	7,500	(7,500)	-
Teen education program	32,500	(32,500)	-
Total revenues and gains	<u>2,206,900</u>	<u>(40,000)</u>	<u>2,166,900</u>
Expenses and losses:			
Program services:			
Crisis services	262,410	-	262,410
Counseling services	303,338	-	303,338
Shelter services	297,252	-	297,252
Legal services	198,738	-	198,738
La Familia	71,501	-	71,501
Volunteers	96,458	-	96,458
Education	81,058	-	81,058
Total program services	<u>1,310,755</u>	<u>-</u>	<u>1,310,755</u>
Supporting services:			
General and administrative	282,949	-	282,949
Fundraising	276,176	-	276,176
Total supporting services	<u>559,125</u>	<u>-</u>	<u>559,125</u>
Total expenses and losses	<u>1,869,880</u>	<u>-</u>	<u>1,869,880</u>
CHANGE IN NET ASSETS	337,020	(40,000)	297,020
NET ASSETS, BEGINNING OF YEAR	<u>871,309</u>	<u>40,000</u>	<u>911,309</u>
NET ASSETS, END OF YEAR	<u>\$ 1,208,329</u>	<u>\$ -</u>	<u>\$ 1,208,329</u>

The accompanying notes are an integral part of these financial statements.

SUPPORT NETWORK FOR BATTERED WOMEN

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Changes in net assets:			
Revenues and gains:			
Contributions	\$ 826,434	\$ 40,000	\$ 866,434
Federal grants	318,680	-	318,680
State and local government grants	463,918	-	463,918
Program income	39,807	-	39,807
Interest income	15,223	-	15,223
Special events	-	-	-
Other income	2,129	-	2,129
Assets released from restriction:			
Time restrictions	20,000	(20,000)	-
Teen education program	20,195	(20,195)	-
Total revenues and gains	<u>1,706,386</u>	<u>(195)</u>	<u>1,706,191</u>
Expenses and losses:			
Program services:			
Crisis services	285,503	-	285,503
Counseling services	226,252	-	226,252
Shelter services	196,986	-	196,986
Legal services	181,478	-	181,478
La Familia	69,858	-	69,858
Volunteers	90,339	-	90,339
Education	66,730	-	66,730
Total program services	<u>1,117,146</u>	<u>-</u>	<u>1,117,146</u>
Supporting services:			
General and administrative	265,767	-	265,767
Fundraising	144,927	-	144,927
Total supporting services	<u>410,694</u>	<u>-</u>	<u>410,694</u>
Total expenses and losses	<u>1,527,840</u>	<u>-</u>	<u>1,527,840</u>
CHANGE IN NET ASSETS	178,546	(195)	178,351
NET ASSETS, BEGINNING OF YEAR	<u>692,763</u>	<u>40,195</u>	<u>732,958</u>
NET ASSETS, END OF YEAR	<u>\$ 871,309</u>	<u>\$ 40,000</u>	<u>\$ 911,309</u>

The accompanying notes are an integral part of these financial statements.

SUPPORT NETWORK FOR BATTERED WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Services							Support Services				
	Crisis Services	Counseling Services	Shelter Services	Legal Services	La Familia	Volunteers	Education	Total Program	General and Administrative	Fundraising	Total Supporting	Total Expenses
Salaries and wages	\$ 150,893	\$ 163,114	\$ 152,245	\$ 140,320	\$ 42,576	\$ 54,666	\$ 45,886	\$ 749,700	\$ 131,519	\$ 104,420	\$ 235,939	\$ 985,639
Payroll taxes and benefits	26,432	28,372	30,415	27,640	9,493	8,445	11,525	142,322	28,356	20,453	48,809	191,131
Total personnel costs	177,325	191,486	182,660	167,960	52,069	63,111	57,411	892,022	159,875	124,873	284,748	1,176,770
Professional services	19,402	83,969	2,394	968	564	16,757	10,900	134,954	61,778	8,522	70,300	205,254
Facility expenses	30,988	10,829	69,929	13,985	5,008	7,466	3,979	142,184	15,159	9,789	24,948	167,132
Special events	-	-	-	-	-	-	-	-	-	76,605	76,605	76,605
Office expense	3,684	4,259	5,955	2,342	1,784	3,063	4,269	25,356	16,781	31,757	48,538	73,894
Communication	9,142	4,084	7,293	4,558	1,707	1,626	583	28,993	4,903	4,407	9,310	38,303
Client assistance	12,880	3,966	7,898	327	4,327	-	-	29,398	-	-	-	29,398
Travel and conferences	436	2,137	1,052	4,156	3,406	1,434	976	13,597	12,834	2,886	15,720	29,317
Liability insurance	5,542	1,133	2,832	2,266	1,185	1,133	1,699	15,790	2,267	3,343	5,610	21,400
Other expenses	425	323	332	59	20	1,494	400	3,053	1,684	13,374	15,058	18,111
Equipment expense	2,439	1,128	2,700	1,197	680	374	214	8,732	783	574	1,357	10,089
Vehicle expense	147	24	2,091	304	135	-	11	2,712	1,167	46	1,213	3,925
Total expenses before depreciation	262,410	303,338	285,136	198,122	70,885	96,458	80,442	1,296,791	277,231	276,176	553,407	1,850,198
Depreciation	-	-	12,116	616	616	-	616	13,964	5,718	-	5,718	19,682
TOTAL EXPENSES	\$ 262,410	\$ 303,338	\$ 297,252	\$ 198,738	\$ 71,501	\$ 96,458	\$ 81,058	\$ 1,310,755	\$ 282,949	\$ 276,176	\$ 559,125	\$ 1,869,880
Percent of total expenses	14.0%	16.3%	15.9%	10.6%	3.8%	5.2%	4.3%	70.1%	15.1%	14.8%	29.9%	100.0%

The accompanying notes are an integral part of these financial statements.

SUPPORT NETWORK FOR BATTERED WOMEN
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

	Program Services						Support Services					
	Crisis Services	Counseling Services	Shelter Services	Legal Services	La Familia	Volunteers	Education	Total Program	General and Administrative	Fundraising	Supporting	Total Expenses
Salaries and wages	\$ 167,931	\$ 101,054	\$ 108,848	\$ 130,247	\$ 47,955	\$ 60,330	\$ 43,907	\$ 660,272	\$ 134,656	\$ 42,257	\$ 176,913	\$ 837,185
Payroll taxes and benefits	32,616	16,392	16,215	22,367	11,370	12,762	7,530	119,252	17,350	5,564	22,914	142,166
Total personnel costs	200,547	117,446	125,063	152,614	59,325	73,092	51,437	779,524	152,006	47,821	199,827	979,351
Professional services	17,504	80,100	507	-	-	3,470	5,370	106,951	50,288	18,712	69,000	175,951
Facility expenses	26,274	13,001	37,776	13,347	1,295	6,369	3,703	101,765	14,161	11,945	26,106	127,871
Office expense	4,518	2,957	3,261	1,841	1,903	2,275	2,877	19,632	9,109	46,623	55,732	75,364
Communication	13,722	3,200	6,346	2,339	1,706	1,362	593	29,268	2,377	4,599	6,976	36,244
Liability insurance	5,407	3,393	3,394	3,558	1,358	901	2,036	20,047	1,214	2,035	3,249	23,296
Equipment expense	3,050	1,803	862	1,899	-	-	-	7,614	11,602	2,779	14,381	21,995
Travel and conferences	670	2,620	617	5,694	1,885	1,881	694	14,061	3,808	3,284	7,092	21,153
Client assistance	13,511	725	1,857	137	917	-	-	17,147	-	-	-	17,147
Other expenses	300	1,007	511	-	121	905	20	2,864	5,334	7,129	12,463	15,327
Vehicle expense	-	-	9,501	49	1,348	84	-	10,982	-	-	-	10,982
Special events	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses before depreciation	285,503	226,252	189,695	181,478	69,858	90,339	66,730	1,109,855	249,899	144,927	394,826	1,504,681
Depreciation	-	-	7,291	-	-	-	-	7,291	15,868	-	15,868	23,159
TOTAL EXPENSES	\$ 285,503	\$ 226,252	\$ 196,986	\$ 181,478	\$ 69,858	\$ 90,339	\$ 66,730	\$ 1,117,146	\$ 265,767	\$ 144,927	\$ 410,694	\$ 1,527,840
Percent of total expenses	18.7%	14.7%	12.9%	11.9%	4.6%	5.9%	4.4%	73.1%	17.4%	9.5%	26.9%	100.0%

The accompanying notes are an integral part of these financial statements.

SUPPORT NETWORK FOR BATTERED WOMEN
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash flow (to) from operating activities:		
Increase (decrease) in net assets	\$ 297,020	\$ 178,350
Adjustments to reconcile change in net assets to net cash from (to) operating activities:		
Depreciation	19,680	23,159
In-kind contributions	-	(31,596)
Net unrealized and realized (gain) loss on investments	(7,897)	-
Loan from related party forgiven	-	(49,590)
Changes in assets and liabilities:		
Receivables	(102,053)	(30,652)
Prepaid expenses	12,012	(9,926)
Accounts payable	(14,095)	887
Accrued liabilities	8,897	(6,618)
Other liabilities	13,677	-
Deferred revenue	(5,250)	5,250
Net cash flow from operating activities	<u>221,991</u>	<u>79,264</u>
Cash flow (to) from investing activities:		
Acquisition of property and equipment	(27,708)	(6,374)
Purchase of investments	<u>(85,258)</u>	<u>(313,079)</u>
Net cash flow to investing activities	<u>(112,966)</u>	<u>(319,453)</u>
Net increase (decrease) in cash and cash equivalents	109,025	(240,189)
Cash and cash equivalents at beginning of year	<u>286,493</u>	<u>526,682</u>
Cash and cash equivalents at end of year	<u>\$ 395,518</u>	<u>\$ 286,493</u>

SUPPLEMENTAL INFORMATION:

Non-cash transactions: Support Network received donated services by counseling interns valued at \$57,000 and \$60,700 for 2008 and 2007, respectively, as described in note 7. The value of these services is recorded in the statement of activities as contributions received and as professional services expense for the counseling program.

The accompanying notes are an integral part of these financial statements.

SUPPORT NETWORK FOR BATTERED WOMEN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 AND 2007

NOTE 1 - OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

(a) Support Network for Battered Women ("Support Network") is a California nonprofit corporation which began operations in 1979 as Mid-Peninsula Support Network to provide a variety of services to victims of domestic violence. The Organization, which changed its name to Support Network for Battered Women in 1993, provides a 24-hour crisis hotline, an emergency shelter, counseling and referral services, legal assistance and community education to residents of Santa Clara County. The Support Network offers services under the following seven major programs:

1. *Crisis services:* Staff and volunteers answer the 24-hour crisis line, providing information and referral services, and a crisis intervention program which includes emergency shelter.
2. *Counseling services:* Support Network offers psychotherapy and support groups, led by licensed therapists and interns working under their supervision. These services are designed to help victims of domestic violence address the long-term effects of domestic abuse after they have found physical safety.
3. *Shelter services:* Support Network operates a local shelter, generally at full capacity, for families who need a safe place to live while recovering from domestic violence. While in residence, clients benefit from individual and group counseling, employment training, and workshops on communication and parenting skills.
4. *Legal services:* Support Network offers legal information services and victim advocacy, including assistance in filing restraining orders and accompanying victims to family or criminal court hearings.
5. *La Familia:* The goal of this program is to address domestic violence in the Latino community through prevention and intervention services for the entire family, which is accomplished primarily through bilingual staff members who provide crisis counseling, family interventions, and support with immigration and legal issues.
6. *Volunteers:* Trained volunteers help to accomplish Support Network's goals by providing over 15,000 hours each year in support services to the Organization and its clients.
7. *Education:* Support Network's staff and volunteers speak at community colleges and universities, service clubs, churches, workplaces and other community groups to educate the public about domestic violence issues. Support Network also provides training to health professionals, law enforcement agencies, schools and volunteers of its own and other organizations who are involved in identifying and assisting victims of domestic abuse.

(b) The accompanying financial statements have been prepared on the accrual basis in conformity with U.S. generally accepted accounting principles. Those principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

(c) In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, Support Network reports information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Support Network maintains separate accounts for net assets restricted by donor for the purpose for teen education, and for net assets restricted by the donor for time restrictions.

(d) Support Network has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are to be recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. Unconditional promises to give, less an allowance for uncollectible amounts, are recognized as revenue at the time the promise is made by the donor; conditional promises to give are disclosed but not recognized as revenue until the conditions are met.

(e) The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

SUPPORT NETWORK FOR BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS - (Continued)
JUNE 30, 2008 AND 2007

NOTE 1 - OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are carried at cost or, if donated, at approximate fair value at the date of donation. Depreciation is computed using the straight-line method with estimated useful lives from 3 to 40 years. Expenditures representing general maintenance and repairs are expensed in the year incurred.

(g) Fundraising activities are performed primarily by Support Network employees and volunteers. Special events that are major and/or ongoing are reported as gross proceeds and related expenses in accordance with AICPA's *Not-for-Profit Organizations* and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Joint costs incurred in fundraising activities are allocated between program and support services in the statement of functional expenses, as required by AICPA's *Not-for-Profit Organizations*.

(h) Support Network has obtained tax-exempt status from the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and from the Franchise Tax Board under Section 23701(d) of the California Revenue and Tax Code. Accordingly, no provision for federal income tax or California franchise tax has been made. Support Network has been classified as a publicly supported charitable organization, which is not a private foundation under IRS Code Section 509(a).

NOTE 2 - RECEIVABLES

Receivables consist of the following:

	<u>2008</u>	<u>2007</u>
Pass-through federal grants and contracts receivable	\$ 166,972	\$ 105,687
State and local government grants and contracts	121,919	-
Others	14,686	95,837
Total grants and contracts receivable	<u>\$ 303,577</u>	<u>\$ 201,524</u>

NOTE 3 - INVESTMENTS

Market values of long-term investments consist of the following:

	<u>2008</u>	<u>2007</u>
Certificates of deposit	\$ 406,235	\$ 156,161
U.S. Treasury bills	-	156,918
Total investments	<u>\$ 406,235</u>	<u>\$ 313,079</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property, equipment and accumulated depreciation are comprised of the following amounts:

	<u>2008</u>	<u>2007</u>
Building and improvements	\$ 328,059	\$ 328,059
Furniture and equipment	179,030	179,030
Land	69,000	69,000
Vehicles	27,708	30,069
Total property and equipment at cost	603,797	606,158
Less accumulated depreciation	408,123	418,511
Total property and equipment, net	<u>\$ 195,674</u>	<u>\$ 187,647</u>

SUPPORT NETWORK FOR BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS - (Continued)
JUNE 30, 2008 AND 2007

NOTE 5 - RELATED PARTY NOTE PAYABLE/CONDITIONAL GRANT

In 2004, a company owned by a Support Network employee provided an interest-free loan of \$100,000. The remaining balance of \$49,590 was converted by the donor to a conditional grant, to be forgiven if Support Network's board of directors raised \$100,000 through its fundraising efforts as of June 30, 2006. Support Network reached this goal, and the \$49,590 was forgiven by the lender during the fiscal year ending 2007.

NOTE 6 - LEASE COMMITMENTS

On July 22, 2005, Support Network entered into an agreement to lease offices in Sunnyvale. The lease, which expired on August 31, 2008, included an option to extend the lease for an additional term of three years. Support Network exercised this option and entered into an agreement on June 30, 2008 to extend the lease to August 31, 2011, with monthly rent due as follows: \$7,267 per month from September 1, 2008 to August 31, 2009; \$7,485 per month from September 1, 2009 to August 31, 2010; and \$7,710 per month from September 1, 2010 to August 31, 2011.

Rent expense for the years ended June 30, 2008 and 2007 was \$84,865 and \$80,706, respectively.

NOTE 7 - DONATED SERVICES, MATERIALS AND FACILITIES

Support Network received over 15,000 hours of donated services from trained volunteers assisting in various programs and fundraising activities in 2008 and 2007. Included in these hours are approximately 2,900 hours and 2,500 hours donated by trained counseling interns in 2008 and 2007, respectively. The estimated value of these professional services has been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 has been met. Support Network's management has estimated the value of the interns' counseling services at \$57,000 and \$60,700 for the years ended June 30, 2008 and 2007, respectively. These amounts are included as contributions and expenses in the statement of activities in accordance with SFAS No. 116. Support Network also received in-kind contributions valued at \$31,500 for improvements to the shelter during the fiscal year ending 2007. This amount has been capitalized as property and equipment in the statement of financial position.

NOTE 8 - CONCENTRATION OF CREDIT RISK FOR CASH DEPOSITS AT BANKS

Financial instruments that potentially subject the Support Network to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. On October 10, 2008, the FDIC limit increased to \$250,000, effective through December 31, 2009. At June 30, 2008 and 2007, the Support Network had approximately \$372,000 and \$342,000, respectively, in excess of FDIC limits. Although Support Network has not experienced any losses on such accounts, management has subsequently rebalanced its cash deposits to mitigate any concentration risks. As of the issuance date of the audit report, Support Network's cash balances are within the limits insured by FDIC.

SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

SUPPORT NETWORK FOR BATTERED WOMEN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

<u>Federal Grantor/ Pass Through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity ID or Grant Number</u>	<u>Expenditures of Federal Awards</u>
U.S. Department of Health and Human Services			
Pass-through grant from California Governor's Office of Emergency Services:			
<i>Family Violence Prevention and Services/ Grants for Battered Women's Shelters/Grants to States and Indian Tribes</i>			
Domestic Violence Assistance Program	93.671	DV06201259	\$ 58,718
Total U.S. Department of Health and Human Services			<u>58,718</u>
U.S. Department of Justice			
Pass-through grant from California Governor's Office of Emergency Services:			
<i>Office of Victims of Crime</i>			
Domestic Violence Assistance Program	16.575	DV06201259	97,087
<i>Violence Against Women Office</i>			
Domestic Violence Assistance Program	16.588	DV06201259	5,195
Pass-through grant from Next Door Solutions to Domestic Violence:			
<i>Office of Violence Against Women</i>			
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	94-6000568	97,379
Total U.S. Department of Justice			<u>199,661</u>
U.S. Department of Housing and Urban Development			
Pass-through grants from local government agencies:			
<i>Community Development Block Grants</i>			
City of Campbell	14.218	N/A	4,500
City of Cupertino	14.218	N/A	4,202
City of Los Altos	14.218	N/A	3,665
City of Milpitas	14.218	N/A	5,000
City of Santa Clara	14.218	N/A	6,697
City of Sunnyvale	14.218	N/A	20,383
Total U.S. Department of Housing and Urban Development			<u>44,447</u>
Total Expenditures of Federal Awards			<u>\$ 302,826</u>

INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

October 10, 2008

To the Board of Directors

SUPPORT NETWORK FOR BATTERED WOMEN

We have audited the financial statements of Support Network for Battered Women (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated October 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Support Network for Battered Women's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Support Network's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.